

Methods Design Concept: An effective approach for profitability

Shigeyasu Sakamoto

FELLOW, World Academy of Productivity Science

e-mail address: DZV05747@nifty.com

Abstract

A company achieved 1000% increase in profitability with an improvement of around 500% in productivity. One of the factors that led to the success is the change made in their approach of methods improvement: designing new working methods on white papers rather than the analysis of present methods with industrial engineers. I believe real, new and effective methods cannot be obtained without a new approach of designing, such as MDC.

Profitability-oriented management of productivity is also an important matter. Profitability has been declining year by year, as well as growth in sales and market shares of Japanese manufacturers. It is not unusual that productivity activities do not directly contribute to corporate performance because the productivity improvement depends mainly on capital investment or autonomy activities. MDC has achieved a high level of productivity improvement, such as reductions in actual headcounts according to the number of workers, rather than reducing the required man-hours or shortening cycle times through work simplification, KAIZEN approach.